



Neath Port Talbot County Borough Council

Cabinet

10 December 2020

Report of the Head of Finance – Huw Jones

Matter for: Decision

Grant Support to Businesses affected by additional trading restrictions from 4 December 2020

Wards Affected: All

Purpose of report

To enable the Council to make grant payments of £3,000 and £5,000 to eligible Businesses in Neath Port Talbot in line with the Welsh Government scheme.

Background

The Welsh Government have announced grant funding to the Council in order to provide grants of £3,000 and £5,000 to businesses affected by additional trading restrictions which came into effect on 4th December 2020.

Grants will be available initially to businesses operating in the hospitality sector. Those qualifying businesses who have already received a payment under the 'firebreak' scheme will receive a second instalment automatically. Businesses who did not apply for a 'firebreak' payment will be able to complete a short online application to receive a payment under this scheme.

Further grants will be available to be applied for in January 2021 to businesses in the leisure and tourism industry supply chain who have suffered a 40% or greater reduction in turnover compared to a comparable period during 2019.

Members will note that there are 3 category of grants to be made under this scheme. They are:

Grant A - A £3,000 cash grant payment for hospitality, tourism and leisure businesses with Small Business Rate Relief (SBRR) qualifying hereditaments i.e. whose rateable value is up to £12,000.

Grant B - A £5,000 cash grant payment for hospitality, tourism and leisure businesses occupying hereditaments with a rateable value between £12,001 and £51,000.

Grant C - A £5,000 cash grant payment for hospitality businesses occupying hereditaments with a rateable value between £51,001 and £150,000.

The Council is required to adopt the scheme and decide in each individual case when to pay the grant.

Qualifying Criteria

A copy of the draft eligibility criteria for the grants are detailed in Appendix 1 to this report. Payments will be made in line with the final guidance received from WG.

Financial Impact

Welsh Government will reimburse the Council for all expenditure incurred.

Integrated Impact Assessment

This report does not require an Integrated Impact Assessment.

Valleys Community Impacts

Positive impact for business rates payers who fit the criteria for the relief and subsequent reduction in rates bill.

Workforce impacts

There will be additional staff resource time required to review and process applications received.

Legal impact

New applicants for the grant will need to provide a state aid declaration confirming that they will receive the funds within such rules. Payments made to previously paid applicants who received a payment under the

“Firebreak” grant scheme have already made such a declaration in the previous application.

Risk management

There are no risk management implications associated with this scheme.

Consultation

There is no requirement under the Constitution for external consultation on this item.

Recommendation

It is recommended that Members accept the grant funding and approve to make payment of grants to eligible Businesses for 2020/21 as set out in this report and in line with the final guidance received from the Welsh Government.

Reason for proposed decision

To enable the Council to make payments to eligible businesses in line with the Welsh Government Scheme

Implementation of decision

The decision is proposed for immediate implementation.

Appendices

Appendix 1 – Draft WG Grant Scheme Guidance Notes

List of background papers

Local Government Finance Act 1988.

Welsh Government Grant Scheme Guidance

Officer contact

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Welsh Government
Economic Resilience Fund (ERF)

Restrictions Business Fund
December 2020 – Sector Specific Support Package

Draft

Guidance for local authorities on administering Covid-19 Non-Domestic Rates (NDR) linked grants to qualifying hereditaments

About this guidance

1. This guidance is intended to support county and county borough councils (“local authorities”) administer business support grant schemes linked to the NDR system in Wales.
2. The purpose of the grant schemes is to support businesses with their immediate cash flow and to help them survive the economic consequences of additional restrictions necessary to control the spread of Covid-19 starting on Friday 4th December and subject to review in three weeks.
3. Unlike previous Covid-19 NDR linked grant schemes, the schemes being introduced in December 2020 (and the subject of this guidance) are more targeted in nature to provide direct support principally to hospitality businesses. The grants will also support supply chain businesses linked to the hospitality sectors and some retail businesses that can demonstrate a material impact to their enterprises as a result of the additional restrictions.
4. As with previous schemes, these new grants will complement UK Government schemes, with employment costs being met predominantly through the Job Retention Support Scheme (JRS). A further, hospitality specific ERF grant scheme will also be introduced and administered directly by the Welsh Government in January 2021.

The NDR linked grant schemes

5. The NDR linked grant schemes being introduced by the Welsh Ministers for the December 2020 – January 2021 restrictions period are as follows.

i) Grant A:

A **£3,000** cash grant payment for hospitality businesses with Small Business Rate Relief (SBRR) qualifying hereditaments. Local authorities should process this £3,000 grant payment for qualifying hospitality businesses that received an SBRR linked grant via the recent Firebreak Lockdown scheme without need for any further application processes to be introduced. These payments should start to reach businesses during December 2020.

Qualifying hospitality businesses that did not submit their details for an NDR grant during the Firebreak will need to complete a short registration form which will be made available during December 2020.

In identifying SBRR qualifying hospitality businesses for early payment, local authorities should use a combination of their locally held NDR databases, application based information from the recent Firebreak scheme, local knowledge and this guidance.

Grant A will also be available to hospitality, tourism and leisure supply chain businesses and retail businesses with qualifying SBRR properties that can evidence (on a self-declared basis) greater than 40% reduction in turnover **as a direct result of new restrictions**.

These businesses will be asked to self-declare, via a short registration form whether they experienced a 40% reduction in turnover for December 2020 as compared to December 2019. For businesses that had not yet started trading in December 2019, the 40% reduction in turnover for December 2020 should be compared to their average monthly turnover for the period September to November 2020. Local authorities should open the registration process for these businesses in January 2021.

To qualify for this grant, businesses will occupy a hereditament with a rateable value of £12,000 or less.

For businesses needing to register, their hereditament must have been on the NDR rating list as of the 1st September 2020 and the ratepayer needs to have been in occupation of the property as of the 30th November 2020.

The multiple property restriction applied to the Small Business Rates Relief scheme applies to this grant. Therefore the same ratepayer may only receive the grant for a maximum of two properties in each local authority.

Grant A will also apply to ratepayers eligible for charitable relief and Community Amateur Sports Clubs (CASC) relief, operating in the leisure and hospitality sectors occupying properties with a rateable value of up to £12,000. Local authorities have discretion to provide grants to not-for-profit bodies they consider to be operating for charitable purposes but aren't currently receiving charitable relief or CASC relief. This discretion will only apply to not-for-profit organisations who are in receipt of or have entitlement to discretionary rates relief and operate in the leisure or hospitality sectors.

ii) Grant B:

A **£5,000** cash grant payment for hospitality businesses occupying hereditaments with a rateable value between £12,001 and £51,000.

Local authorities should process this £5,000 grant payment for qualifying hospitality businesses that received a £5,000 NDR linked grant via the recent Firebreak Lockdown scheme without need for any further application processes to be introduced. These payments should start to reach businesses during December 2020.

Qualifying hospitality businesses that did not submit their details for an NDR grant during the Firebreak will need to complete a short registration form which will be made available during December 2020.

In identifying qualifying hospitality businesses for early payment, local authorities should use a combination of their locally held NDR databases, application based information from the recent Firebreak scheme and this guidance.

Grant B will also be available to hospitality, tourism and leisure supply chain businesses and retail businesses with rateable values of between £12,001 and £51,000 that can evidence (on a self-declared basis) greater than 40% reduction in turnover **as a direct result of new restrictions**. Businesses will be asked to self-declare whether they experienced a 40% reduction in turnover for December 2020 as compared to December 2019. For businesses that had not yet started trading in December 2019, the 40% reduction in turnover for December 2020 should be compared to their average monthly turnover for the period September to November 2020. Local authorities should open the registration process for these businesses in January 2021.

For businesses needing to register, their hereditament must have been on the NDR rating list as of the 1st September 2020 and the ratepayer needs to have been in occupation of the property as of the 30th November 2020.

The grant is also available to not-for-profit organisations occupying eligible hospitality and leisure properties.

iii) Grant C:

A **£5,000** cash grant payment for hospitality businesses occupying hereditaments with a rateable value between £51,001 and £150,000. The applicant's hereditament must have been on the NDR rating list as of the 1st September 2020 and the ratepayer needs to have been in occupation of the property as of the 30th November 2020.

This will be a new cohort of businesses receiving emergency grant support for the first time under the NDR linked schemes. They will need

to complete a short registration process which will be made available during December 2020.

Grant C will also be available to hospitality, tourism and leisure supply chain businesses and retail businesses with rateable values of between £51,001 and £150,000 that can evidence (on a self-declared basis) greater than 40% reduction in turnover **as a direct result of new restrictions**. Businesses will be asked to self-declare whether they experienced a 40% reduction in turnover for December 2020 as compared to December 2019. For businesses that had not yet started trading in December 2019, the 40% reduction in turnover for December 2020 should be compared to their average monthly turnover for the period September to November 2020. Local authorities should open the registration process for these businesses in January 2021.

The grant is also available to not-for-profit organisations occupying eligible hospitality properties.

Administering the schemes

6. In order to help affected businesses survive the effect of additional restrictions, it is important that funding reaches them quickly and efficiently but with appropriate accounting officer safeguards in place.
7. Given wider resource pressures, a phased approach will therefore be needed to activate different elements of the schemes. As such, this guidance will need to evolve and be updated alongside the development of registration forms over the coming days and weeks to provide necessary safeguards and assurances. Wherever possible, it will be the intention to keep registration forms as light touch as possible and to re-use as far as possible, tried and tested approaches.
8. The immediate priority is for local authorities to start processing payments for Grants A and B to known hospitality businesses who registered for and were awarded SBRR and RLH grants under the recent Firebreak Lockdown scheme.
9. For local authorities, this will involve identifying hospitality businesses that were awarded a Firebreak SBRR grant or RLH grant. Any non-hospitality businesses, including those that received a grant under the Firebreak schemes will need to be excluded from the new grant payment runs.
10. Local authorities have explained that their local NDR systems can help facilitate this process. The remainder of this guidance note is

intended to help support that process by identifying specific types of hospitality businesses that local authorities can prioritise for early payment.

11. Local authorities will be provided with financial support to help meet the costs of administering these grants. Further details on this will be provided separately.
12. The Restrictions Business Fund is separate to and distinct from earlier rounds of NDR linked grant support. All previous NDR linked grant schemes are now closed to new applicants and there are no exceptions to this.
13. Registering for the Restrictions Business Fund does not enable businesses to apply retrospectively for previous or any other grant schemes.

Definitions – Hospitality Prioritised Payments

14. Local authorities should **prioritise** the following types of hospitality businesses for early payment of the NDR linked grants in December subject to their hereditaments qualifying and which meet the criteria laid out in paragraphs 5 i-iii of this guidance note – specifically that they registered for and received an NDR linked grant payment under the firebreak scheme.
15. Hospitality hereditaments that should be prioritised for early payment include:
 - Restaurants
 - Cafés
 - Pubs
 - Bars or wine bars
 - Accommodation providers (e.g. hotels)
16. In addition, other premises that are being required to close under the Regulations (to be provided when finalised) and registered for an NDR grant during the Firebreak schemes should be included for a prioritised December payment. At this stage, we anticipate the following hereditaments falling into this category, however, this list will need to be amended and updated as the Regulations are published:
 - Cinemas
 - Bowling alleys
 - Bingo halls

Definitions – Hospitality, Tourism, Leisure supply chain and Retail

17. In processing new applications for each of the above grants from hospitality, tourism and leisure supply chain businesses and retail businesses materially impacted by the new restrictions, local authorities should apply the Welsh Government's guidance on Retail, Leisure and Hospitality Rates Relief in Wales – 2020-21. This guidance provides a detailed list of the hereditaments that are eligible. It also provides a list of hereditaments that are not eligible.
18. In relation to self-catering accommodation, the same guidance as for previous NDR linked grant schemes applies, which is that properties will not be eligible for the grant unless the following criteria are met:
- The self-catering accommodation can produce two years of trading accounts directly preceding the current financial year of the business
 - The self-catering accommodation must actually have been let for a period of 140 days or more in the financial year 2019-20
 - The self-catering accommodation business must be the primary source of income for the owner (minimum threshold is 50%).
19. For self-catering properties, local authorities have full discretion to request and examine trading business accounts, booking lists and self-assessment tax returns submitted to HMRC for the financial year ending 31 March 2019 if additional evidence is required to demonstrate that this criteria is met. In cases where local authorities have decided to request additional evidence and the evidence shows that the scheme criteria are not met, local authorities are required to withhold payment of grant.
20. It is presumed that where necessary, local authorities will already have conducted any checks on self-catering properties paid grant as part of the Firebreak schemes. Repeat checks on the same self-catering businesses already awarded grant will not therefore be expected as part of this new scheme.
21. In relation to gambling and gaming, arcades of the type that could be classified as amusements rather than gambling premises are considered leisure establishments and are eligible for the grants either via the SBRR route or, where the rateable value of the premises makes them eligible, for the larger £5,000 grant as leisure facilities.

22. Gaming establishments (as generally found in a city centre environment but potentially also located anywhere) that usually have limited access to people aged 18 and over and are a) not entitled to SBRR and b) where gambling rather than amusement is the predominant activity are not eligible for the retail, leisure and hospitality grant. The NDR scheme guidance for Retail, Leisure and Hospitality Rates Relief in Wales – 2020-21 explicitly excludes gambling hereditaments.